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SUGAR  
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## SUGAR STOCKS DECLINING

### IN MANY COUNTRIES

Sugar stocks in 47 countries at the beginning of the 1962-63 season were about 19 percent below those a year earlier at a level close to 8 million short tons raw value, but were still about 19 percent above the 1955-59 average.

The decline reflects the first year when consumption exceeded production since the 1956-57 season. Many countries had lowered their 1961-62 sugar production targets because of burdensome stocks. Meanwhile, yields per acre were generally less favorable. The combination of reduced acreages and lower yields in many countries resulted in smaller outputs.

The countries in the report normally account for about 75 percent of total world production of centrifugal sugar. As stated in the February issue of Foreign Agriculture, they show a stock decrease of 1.9 million short tons, raw value, from the opening stocks in 1961-62. If the decline of 1.1 million short tons for Cuba is omitted, the total decline for the remaining countries shown in the table would be 0.8 million short tons. This compares with only a 0.5 million short ton reduction for the entire world, based on estimated world sugar production and consumption in the 1961-62 season. The apparent smaller decline in total world stocks from 1961-62 to 1962-63 indicates that there was a significant increase in the USSR, Eastern European countries, and Mainland China during the past year.

This Circular contains more detailed information than the summary of similar title published in the World Agricultural Production and Trade Statistical Report of February 1963.

Indications now point to a further decrease in world stocks of about 3 million tons by the beginning of the 1963-64 grinding season. Estimated world consumption will probably exceed this year's production by about that amount.

The stock level of almost 10 million tons at the beginning of 1961-62 reflected the effect of the bumper 1960-61 crop of 60 million tons. Production was limited in some countries in 1961-62 because of low world prices and excessive stocks. Stocks in North America at the beginning of 1962-63 declined to about one-half of the level of two years earlier, principally because of Cuban stocks being almost eliminated and because of the sharp declines in Mexico and in the Federation of the West Indies. The heavy stocks in Europe following the 1960-61 crop had been reduced to more desirable levels by the beginning of 1962-63 season but were still about one-third higher than the 1955-59 average. In Africa, the upward trend in stocks was caused by the increase in the Republic of South Africa. In Asia, significant increases were reported for Taiwan and India. Stocks in Australia show some decline.

The country list adds Ecuador, French West Indies, Turkey, and the Congo to the stocks survey of last year. Hungary was dropped from the list because of unsatisfactory reporting.

Countries selected for the following list include those with the largest current stocks, and those for which the largest changes in stocks are noted.

#### Cuba

Although data now coming from Cuba is of questionable reliability, indications are that stocks on January 1, 1963, reached an alltime low and were practically nil. The customary 1 million short ton level consisting largely of reserves for the U. S. market disappeared in 1962 because of exports mostly to the Sino-Soviet Bloc amounting to nearly 1 million tons in excess of production.

Most of Cuba's 1961-62 output already had been committed to Communist Bloc countries, and most of the remainder has been sold in advance of production. Indications are that during the 1962-63 season Cuba will not deliver as much to these countries as planned including the Eastern European satellite countries and will seek cash buyers for increased quantities in preference to the barter terms existing under Communist commitments. It seems certain Cuba will place greater emphasis on sales for dollars to Western Hemisphere countries.

#### West Germany

In common with a number of other Western European countries, West Germany managed to dispose of most of its burdensome surplus sugar stocks during the 1961-62 season, as production declined almost a half million short tons. Acreage in 1961 was reduced by 12 percent, and in addition weather was less favorable than the year before. In 1962 this acreage cut was restored.

Latest estimates indicate sugar output in 1962-63 is up about 200,000 tons, or 12 percent from the preceding season. With a substantial reduction in carryover into the 1961-62 season and the smaller sugar output, imports were increased in 1962, but still only about 40 percent of the 1955-59 average. Consumption in 1963 (including use of sugar in manufactured products) is expected to rise only slightly. Some sugar was exported in 1962 through a development aid program.

#### France

Like West Germany, France also reduced its production of sugar beets in 1961, but continued to export heavily out of the bumper crop of 1960.

Although exports in the 1961-62 season rose to nearly 1 million short tons, stocks carried over at the beginning of 1961-62 were at least 500,000 short tons larger than the Government considered desirable. The Government lowered mill production quotas substantially for 1961 and 1962, and thus indirectly achieved a reduction in the 1962 sugar beet acreage. Although production on the reduced acreages was larger than expected, sugar output in the 1961-62 season declined more than one million tons below the 1960 record. A similar output in the 1962-63 season, and heavy exports, should reduce the 687,000 ton stock still further.

#### Brazil

Centrifugal sugar production in Brazil is limited by mill quotas set by the Sugar and Alcohol Institute. With excess land and labor resources available, expansion of cane production and mill capacity has been guided by Government production and price policies, and by a growing interest in increasing the country's export trade.

Sugar output amounted to nearly 4 million tons in 1960-61 and continued with this new record in the 1961-62 and 1962-63 seasons, resulting in large stocks at the 665,000 short ton level on June 1, 1962. Domestic consumption is increasing gradually and will require about four-fifths of production. Stocks are rapidly moving into the world market at the new high prices for late 1962 and early 1963.

#### United Kingdom

Since less than one-third of the sugar used in the United Kingdom is produced from home-grown sugar beets, stocks in that country do not necessarily bear any close relationship to domestic production of sugar from such beets. Stocks shown in the accompanying table refer to those in bonded warehouses, exclusive of stocks held by refiners and by the trade.



Although domestic production in 1962-63 is 21 percent under the record output of 1960-61, imports are expected to increase enough from the unusually low level of that season to keep total available supplies fairly constant with a very slight increase accounted for by population growth. About three-fourths of these imports are supplied by Commonwealth countries under the Commonwealth Sugar Agreement on a preferential arrangement. A situation of slightly lower imports in 1962, offset by lower exports, is expected to result in no significant change from September 1, 1962 stocks of 667,000 short tons.

### Argentina

Prior to 1958, Argentina's domestic sugar production and consumption were about in balance, with relatively small imports required in some years, and modest imports possible in others. The harvest which began June 1, 1958, however, set a record, primarily because of exceptional yields; production exceeded normal annual needs by more than 50 percent, and large stocks accumulated.

Although sugar production in the 1959-60 season had been moderately lower than the 1958-59 record, it still had exceeded normal domestic consumption by a wide margin, and stocks had risen further to reach record high levels. Sugar production was still further reduced in 1960-61 and 1961-62, but output again exceeded domestic consumption. Not until 1961-62, when yields fell, was sugar production down close to the level of annual consumption. Consumption in Argentina is hampered by the relatively high level of prices maintained within the country. However, by an unusually vigorous export program backed by export subsidies financed out of a consumption tax, excessive stocks were reduced in 1960-61 and 1961-62. Exports in 1962 were also reduced by about one-half.

### United States

Stocks of sugar in the United States at the beginning of a new season bear little direct relationship to domestic production, since nearly half of the total supplies for mainland consumption are imported. The modest decline in stocks on October 1, 1962, is largely a function of the U. S. Sugar Act which provides Government control of import flows to suit the needs of the domestic refining industry.

### India

As a consequence of a record centrifugal sugar production in 1960-61 and 1961-62, and somewhat disappointing opportunities for profitable exports, India began the 1962-63 sugar season with a record large carryover estimated at about 1.3 million short tons raw value. Production of this type of sugar was substantially above domestic consumption in both 1961-62 and 1962-63 seasons. The Government is continuing its efforts to find satisfactory export markets. As a new entry on the world market, India quickly reached the 300,000

short ton level in 1961, and one somewhat higher in 1962, and retained very high stocks at 1,300,000 short tons on November 1, 1962 as in the preceding season. This stock position now proves highly advantageous in view of the very high prices on the free world sugar market.

### Italy

Weather conditions in Italy often seem to be the direct opposite of that in most other Western European countries. In 1959, when much of Western Europe was experiencing a severe drought, Italy had ample rainfall and an unusually large acreage in sugar beets. The result was a bumper sugar beet crop, and that Fall Italy produced more sugar than ever before. This surplus did not quite meet all of the domestic requirements during 1960. Imports were resumed, and by 1962 reached about 80,000 short tons.

Domestic sugar prices are maintained at relatively high levels in Italy, in part because of substantial taxation of the industry, tending to restrict domestic consumption. Acreage in sugar beets was reduced drastically in 1960 and succeeding seasons. The output of sugar in the past three seasons was nearly one-fourth lower than the preceding level of 1.3 million tons. As indicated, stocks declined to the 5-year base level of about a quarter million tons.

CENTRIFUGAL SUGAR (raw value): Stocks beginning of grinding season, in 47 selected countries  
average 1955-56 through 1959-60, annual 1959-60 through 1962-63

Country	Date 1/	Sugar-making season				
		Average				
		1955-56 through 1959-60	1959-60	1960-61	1961-62	1962-63 2/
		1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Chile.....	April 1	14	17	21	37	51
Colombia.....	May 1	46	27	41	80	39
Indonesia.....	May 1	30	22	165	83	83
Argentina.....	June 1	3/ 95	157	414	386	97
Australia.....	June 1	168	189	225	222	154
Brazil.....	June 1	386	631	673	426	665
Fiji.....	June 1	7	27	65	6	6
Mauritius.....	June 1	4	4	3	16	3
Paraguay.....	June 1	6	12	4	1	1
South Africa, Republic of ....	June 1	64	116	193	235	380
Congo (Leopoldsville).....	July 1	5	7	9	10	10
Ecuador.....	July 1	3/ 32	13	12	43	52
French West Indies.....	July 1	4	5	4	4	5
British Guiana.....	August 1	9	4	12	10	4
Finland.....	August 1	41	52	50	49	53
Italy.....	August 1	278	252	755	494	240
Canada.....	September 1:	73	89	66	87	94
Turkey.....	September 1:	85	76	170	152	187
United Kingdom.....	September 1:	638	488	619	643	667
Venezuela.....	September 1:	71	57	66	72	80
Yugoslavia.....	September 1:	111	116	28	111	107
Austria.....	October 1	87	90	117	98	40
Belgium.....	October 1	25	41	20	39	60
Costa Rica.....	October 1	11	21	10	11	15
Denmark.....	October 1	44	127	85	143	100
France.....	October 1	128	147	228	856	687
Germany, West.....	October 1	283	591	679	610	318
Ireland.....	October 1	29	38	54	59	61
Japan.....	October 1	99	150	170	153	186
Netherlands.....	October 1	77	161	72	166	136
Philippines.....	October 1	155	275	345	139	194
Sweden.....	October 1	135	235	115	165	170
U.S. and Insular Areas.....	October 1	1,230	1,409	1,275	1,160	1,075
El Salvador.....	November 1	6	5	4	2	7
Guatemala.....	November 1	6	7	2	3	5
India.....	November 1	494	169	607	1,326	1,297
Mexico.....	November 1	326	503	553	341	177
Taiwan.....	November 1	120	155	110	103	143
Thailand.....	November 1	14	10	33	48	68
Dominican Republic.....	December 1	115	212	92	95	115
Cuba.....	January 1	1,038	1,347	1,206	1,133	100
Haiti.....	January 1	4	9	8	6	5
Kenya, Uganda, Tanganyika.....	January 1	20	23	29	32	19
Nicaragua.....	January 1	3/ 4	12	8	14	4
Peru.....	January 1	111	106	124	43	52
West Indies, Federation of ...	January 1	16	27	27	17	11
Panama.....	February 1	-	1	21	16	17
Total.....		6,744	8,232	9,589	9,945	8,040

1/ All stock carryover dates, except for January and February 1, apply to the first year mentioned at the head of each column. 2/ Preliminary. 3/ Less than 5-year average.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research and related information.





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